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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/781,580	02/12/2001	Mark S. Coronna	11416-723001	9719

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EXAMINER

DASS, HARISH T

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 09/21/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/781,580

Applicant(s)

CORONNA ET AL. 

Examiner

Harish T Dass

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 12 February 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-58 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-58 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 12/9/02, 8/18/03.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

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## **DETAILED ACTION**

### ***Specification***

1. Applicant is reminded of the proper language and format for an abstract of the disclosure.

The abstract should be in narrative form and generally limited to a single paragraph on a separate sheet within the range of 50 to 150 words. It is important that the abstract not exceed 150 words in length since the space provided for the abstract on the computer tape used by the printer is limited. The form and legal phraseology often used in patent claims, such as "means" and "said," should be avoided. The abstract should describe the disclosure sufficiently to assist readers in deciding whether there is a need for consulting the full patent text for details.

The language should be clear and concise and should not repeat information given in the title. It should avoid using phrases which can be implied, such as, "The disclosure concerns," "The disclosure defined by this invention," "The disclosure describes," etc. see Line 7 contains "comprising" and steps.

### ***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-50 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C.

§101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-

statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In *re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement

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issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the *Freeman-Walter-Abele* test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

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9-17-04  
In the present application, Claims 1-<sup>50</sup>~~40~~ have no connection to the technological arts. None of the steps indicate any connection to a computer or technology.

Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts; for example: "computer is used to calculate average ..."

***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-58 are rejected under 35 U.S.C. 103(a) as being unpatentable over Remington et al (hereinafter Remington – US 6,070,150) in view of Kolling et al (hereinafter Kolling – US 5,920,847).

Re. Claims 1, 24, Remington discloses receiving a payment request indicating that the payor has authorized payment to the payee [see entire document particularly, Abstract; C6 L10-L23], selecting payment account & instruction [C14 L23-L35], executing the payment request to cause a first payment to be made from the payor and a second payment to be made to the payee, payment configuration [Figures 4-5; C2 L35-L57; C15 L1-L17; C15 L42-L67; C19 L12 to C20 L55]. Remington does not explicitly disclose configuring a payment transaction by selecting a payment method for the payor from a first set of payment methods using a payment rule, wherein the selected payment method is independent of a payment method selected for the payee. However, Kolling discloses configuring a payment transaction by selecting a payment method for the payor from a first set of payment methods using a payment rule, wherein the selected payment method is independent of a payment method selected for the payee [Abstract; Figures 9-19; C L1-L37; C15 L55 to C16 L43; C31 L12-L53] to accommodate differing

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consumer preferences. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosures of Remington and Kolling to provide biller initiation configurations.

Re. Claims 2-4, and 25-27, Remington does not explicitly disclose wherein the payment rule is a predetermined business rule, wherein the predetermined business rule is accessed from a database containing payee information and payor information, and is selected as a function of pre-negotiated terms between the payee and the payor, wherein the predetermined business rule selects a payment method according to the amount of the payment. However, Kolling discloses wherein the payment rule is a predetermined business rule (preset and defined set of rules), wherein the predetermined business rule is accessed from a database containing payee information and payor information, and is selected as a function of pre-negotiated terms between the payee and the payor, and wherein the predetermined business rule selects a payment method according to the amount of the payment [Abstract; C3 L63 to C4 L17; C16 L29-L50] to defining a valid transaction. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Remington and include business rules to verifying the authorization to debit funds within the parameters of the payment rules.

Re. Claims 5-6, and 28 Remington discloses wherein the payment method is selected as a function of historical payment information for the payor or payee, and the payment



method is selected as a function of performance in previous transactions between the payor and the payee [C2 L6-L67; C4 L48-L65].

Re. Claims 7-11, Remington discloses verifying the authorization of the payment request, seeking payment approval if the payment request is unauthorized, and executing the payment request only if approval is received from an entity having approval authority, wherein the payor is an organization and payment approval is sought by communicating payment information to one or more agents of the payor, wherein payment approval is sought by communicating payment information to a predetermined list of payment approvers, wherein the payment request is executed if any payment approver provides approval, and wherein the payment information is executed to the predetermined list of payment approvers serially [Abstract; C5 L65 to C6 L33; C15 L1-L17; C7 L43 to C8 L50; C12 L1-L17; C4 L57-L65].

Re. Claims 12-13 and 16, 29, 30, 32 Remington discloses enrolling the payor by receiving payor identifying information and payor enrollment information, and verifying the ability of the payor to make payments [C14 L23 to C15 L41], wherein the identifying information comprises the name of the payor and a financial account number of the payor [C9 L7-L38], and wherein the plurality of payments are aggregated from transactions completed at a plurality of different marketplaces [C12 L1-L8; C16 L14-L34].

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Re. Claim 14, Remington or Kolling does not explicitly disclose wherein the verification is performed by an independent credit rating service. However, this step is will known to credit card holder and financial institutions to check the applicant's ability for payment. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Remington and include credit rating verification to avoid losses occurs due to non-payments by consumers with bad credit ratings.

Re. Claims 15, 31 Remington discloses reporting to the payor the status of a plurality of payments [C1 L36 to C2 L45; C3 L35 to C4 L15-L56].

Re. Claims 17-22, 33-38, Remington discloses wherein the first payment is made in response to a triggering event (activate pay button) [C13 L10-L32; C15 L57 to C16 L2], wherein the triggering event is generated upon an exchange of goods or services that correspond to the payment request [C1 L10-L15], wherein the triggering event is generated upon the expiration of a predetermined period of time [C1 L36-L45], wherein the triggering event causes the first payment to be made at a different time than the second payment [C1 L10 to C2-L67], wherein the triggering event is a function of the payor's current account position [C1 L10 to C2-L67], and wherein the triggering event is a function of the payor's current account position and the payee's current account position [C1 L10 to C2-L67].

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Re. Claims 23, and 39, Remington does not explicitly disclose debiting an account owned by the payor for the amount of a transaction fee for executing the payment request. However, Kolling discloses this feature [C11 L50-L67] to finance the cost of operating the payment network. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosures of Remington and Kolling and add debiting transaction fee to compensate for providing electronic bill payment services.

Re. Claim 40, Claim 40 is rejected with same rational as claims 1 & 24.



Re. Claims 41-42, Claims 41-44 are rejected with same rational as claims 2-6.



Re. Claim 45, Claim 45 is rejected with same rational as claim 15.

Re. Claims 46-49, Claims 46-49 are rejected with same rational as claims 17-22.

Re. Claim 50, Claim 50 is rejected with same rational as claims 2-4, where payment methods are the same or not are business choices to reduce the cost, make it easy, etc.

Re. Claims 51-56, Remington discloses a request interface that receives a payment request containing payment information [C5 L40-52], a payment selector that is programmed to configure a payment transaction by selecting a payment method from a

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first set of payment methods as a function of the payor information and the payment request [Abstract; Figures 4-5; C6 L10-L23; C2 L35-L57; C15 L1-L17; C15 L42-L67; C19 L12 to C20 L55], and a payment processor that executes payment by the selected payment method [C8 L51-L66]. Remington does not explicitly disclose a database of payor information, wherein the database of payor information comprises payment selection rules, and wherein the payment selector selects a payment method independently of a payment method selected for the payee, and wherein the payment selector selects a payment method from a predetermined set of payment methods, and wherein the payment selector selects a payment method by applying a predetermined function to the payment information and comparing the result of the function to a predetermined result, and wherein the predetermined function compares the monetary value of the payment to an array of monetary values. However, Kolling discloses these steps [see claim 1 and Fig. 3 # 82, Fig. 11 # 254, # 260; C4 L60 to C5 L12; C10 L24-L50] for authorization and to accommodate differing consumer preferences. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosures of Remington and Kolling to provide database with consumer preferences and record.

Re. Claim 57, Remington discloses a payment approval verifier that determines whether the payment authorization request is valid and seeks payment approval if the payment authorization request is invalid [Abstract; C5 L65 to C6 L33; C15 L1-L17; C7 L43 to C8 L50; C12 L1-L17; C4 L57-L65].

Re. Claim 58, Claim 58 is rejected with same rational as claim 1.

### **Conclusion**

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Applicant is required under 37 CFR ' 1.111 (c) to consider the references fully when responding to this action.

*US 6,292,789 to Schutzer, Sep. 18, 2001 "Method and system for bill presentment and payment" discloses a computerized bill presentment and more particularly to the electronic delivery of a bill from any biller to any consumer and for electronic delivery of subsequent payment from the consumer to the biller.*

*US 5,684,965 to Pickering, Nov. 4, 1997 "Automated billing consolidation system and method" discloses an automated system for consolidating a plurality of individual charges for a customer, and more particularly, to a method for consolidating a plurality of individual customer charges from a plurality of companies which have different periodic customer billing dates and different payment due dates.*

*US 5,649,117 to Landry, July 15, 1997 "System and method for paying bills and other obligations including selective payor and payee controls" discloses systems for paying bills or other voluntary or involuntary obligations of payors, and, more particularly, to systems that interact with payors or payees.*

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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T Dass whose telephone number is 703-305-4694. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S Sough can be reached on 703-308-0505. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Harish T Dass  
Examiner  
Art Unit 3628

9/15/04

  
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